

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6215

BILL NUMBER: HB 1008

DATE PREPARED: Feb 15, 2000

BILL AMENDED: Feb 14, 2000

SUBJECT: Local government matters.

FISCAL ANALYST: Beverly Holloway

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FUNDS AFFECTED: X **GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: (Amended) Provision #1. This bill provides that the county executive must publish a statement of the county's receipts and expenditures during the preceding calendar year including the total compensation paid to all county officers, deputies and employees. (Current law requires the county executive to publish the name and compensation paid to each officer, deputy and employee.)

Provision #2. This bill provides that a city, town, or school corporation may post notices at a post office, bank, or public building in which the respective governing bodies meet only if the city or town does not have a city or town hall, or the school district does not have an administration building.

Provision #3. A person who owes delinquent property taxes is prohibited from purchasing real property at a tax sale or at a sheriff's sale of real property to which the county has obtained title.

Provision #4. This bill revises the procedure for refunding Inheritance Tax that has been erroneously or illegally collected.

Provision #5. This bill allows a solid waste management district in Vanderburgh County to provide grants and loans to plant and maintain trees on rights-of-way, public property, and vacant property.

Provision #6. A local official who attends a state-called conference is entitled to receive reimbursement for meals.

Provision #7. This bill adds city clerk and town clerk to the list of officials before whom the recording of a real property conveyance may be proved. It cross references to a provision that allows legislators and certain others to prove a conveyance.

Provision #8. Municipal courts are removed from the distribution of the qualified municipality share of court

fees.

Provision #9. Funds that are appropriated for clerk-treasurer legal expenses are required be allocated to the clerk-treasurer.

Provision #10. This bill provides that a county clerk is not personally liable for dishonored checks presented for the payment of fees, court ordered payments, or licenses. A county recorder is not personally liable for dishonored checks presented for the payment of fees. A county treasurer is not personally liable for an act or omission occurring in connection with the performance of the county treasurer's official duties, except under certain circumstances. Each county, municipality, and township is required to forward matters related to dishonored checks to the prosecuting attorney.

Provision #11. One copy of the financial records of each agency, board, commission or district or other municipal entity must be filed with the municipal fiscal officer.

Provision #12. This bill repeals statute requiring the county auditor to collect a fee for each assessed value deduction application received from a property taxpayer.

Provision #13. The bill allows a town board of metropolitan police commissioners to provide for a one year probationary period for town police officers.

Provision #14. Changes are made regarding filings to collect delinquent municipal sewer fees.

Provision #15. This bill allows for the transfer of \$8,200 from the Indian Creek Township (Pulaski County) Fire Fund to the Township's General Fund. The bill also allows for a \$4,000 reduction in the maximum permissible levy for the Township's Fire Fund and an increase of \$4,000 in the maximum permissible levy for the Township's General Fund.

Effective Date: (Amended) Upon Passage; January 1, 2000 (retroactive); July 1, 2000.

Explanation of State Expenditures:

Explanation of State Revenues: (Revised) Provision #4. This bill streamlines the administration of refunding Inheritance Taxes that were erroneously or illegally collected. This provision would not impact the collection of Inheritance Tax.

Explanation of Local Expenditures: (Revised) Provision #5. This bill allows the Vanderburgh County Solid Waste Management District to make grants or loans of money, property, or services to a public or private program to plant and maintain trees on a right-of-way, public property, or vacant property to the operation costs that may be paid by. This provision expands the use of existing funds.

Provision #6. This bill provides that each local official attending a state-called conference will be reimbursed for meals purchased while attending the conference. The fiscal impact of this provision is minimal and will vary among local units of government.

Provision #10. Currently a county treasurer can be held liable in an individual capacity for any act or omission in connection with the performance of specific duties. A county treasurer may be sued in both a professional and individual capacity. The double lawsuits increase the legal expenses for both a

governmental entity and an individual. This provision provides that a county treasurer is not liable in an individual capacity for acts or omissions occurring in connection with the performance of certain duties unless the act or omission constitutes gross negligence or intentional disregard of the duties. The fiscal impact of this provision is indeterminable and dependent on the number of settlements and claims paid by a political subdivision.

Provision #13. This provision would increase the administrative responsibilities of a municipal legislative body or the county executive. The expenses incurred with the additional responsibilities can be absorbed within the existing budget of a municipal legislative body or the county executive.

Provision #14. Current law provides that the list of landowners with delinquent municipal sewer fees may not be prepared more than four times a year. This bill provides that the list may be prepared as often as the officer charged with collecting the fees determines is necessary in a calendar year. The county recorder may collect a filing fee under IC 36-2-7-10 for the filing of a list. Fees range from \$1-\$15 depending on a number of factors including but not limited to page sizes of the document, acknowledging or certifying a document, and proofreading any copy presented for certification. The fiscal impact of this provision is indeterminable and is dependent on the recording fee charged by a county and the number of times a municipality files a list of delinquent municipal sewer fees.

Provisions #1, #2, #3, #7, #8, #9, and #11: No fiscal impact.

Explanation of Local Revenues: (Revised) Provision #6. The current statute provides that a circuit court clerk and a county recorder are personally liable for dishonored checks as well as all fees and penalties associated with accepting a dishonored check. This bill eliminates this liability if the acceptance of a check was not an act or omission constituting gross negligence or an intentional disregard of the responsibilities of the circuit court clerk or the county recorder. The fiscal impact is indeterminable and dependent on the county's ability to collect the amount of the dishonored check as well as the fees and penalties associated with the dishonored check.

Provision #9. There is a \$1 fee for each deduction application fee submitted to the county auditor. The fee is deposited in the county general fund. There were approximately 927,000 mortgage deductions statewide in CY 1999. The net increase or decrease of mortgage deductions cannot be determined and is dependent on the number of paid mortgages, new mortgages, and refinanced mortgages. The fiscal impact of this provision cannot be determined but the reduction in revenue will vary among counties.

Provision #14. Allowing more than four filings could potentially increase the amount of revenue collected by a municipality from delinquent municipal sewer fees. The fiscal impact is indeterminable and will vary among municipalities.

There would be an increase in revenue to a county from the increased number of filings by a municipality. The amount of revenue generated from the additional recording fees allowed in this bill will vary among counties. Specific fees collected by the county recorder are deposited in the Recorder's Records Perpetuation Fund which is used for the preservation of records and the improvement of record keeping systems and equipment.

Provision #15. The transfer of \$8,200 from the cash balance of the Indian Creek Township's Fire Fund to the Township General Fund would have no overall impact. The only difference is that the township would be able to spend this money on any allowable non-fire expenditure rather than on a fire expenditure.

This bill allows the township to shift \$4,000 from its Fire Fund maximum levy to its General Fund maximum levy in CY 2001. The recalculated maximum levies would be the basis for future maximum levy calculations so the \$4,000 shift would be permanent. Again, this provision would have no overall impact. It transfers levy authority from one fund to another. The only difference is that the township would be able to spend this \$4,000 of property tax money (if it levies the entire maximum levy) on any allowable non-fire expenditure rather than on a fire expenditure.

State Agencies Affected: Department of State Revenue.

Local Agencies Affected: County recorders; County treasurer; County auditor; Counties; Townships; Cities; Towns; School corporations; School corporation officers; Circuit court clerk; Municipal legislative body; County executive; Vanderburgh County Solid Waste Management District; Indiana Creek Township, Pulaski County.

Information Sources: Diana Cordray, Carmel Clerk-Treasurer, (317) 571-2400. Charlie Pride, State Board of Accounts, (317) 232-2521.